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SOURCE

New Economic Course

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1. Source thought that there had been no noticeable improvement in living conditions in Rumania since the inauguration of the New Economic Course. There was some temporary improvement for the inhabitants of Bucharest during the Youth Festival in 1953, but this ended with the Festival. He said that the much publicized price reductions are usually confined to goods not available, or to goods already too expensive for the ordinary Rumanian. In addition, the concessions were usually accompanied by unpublicized adjustments in norms, delivery quotas, wage rates, and the like, which effectively wiped out any benefits from the concessions. Thus, Source was told in September by a friend who farmed about 20 hectares not far from Bucharest that on paper the farmers were allowed to keep for themselves somewhat more milk per family than in the past, but that in reality the amount remained about the same, as the authorities had quietly lowered the age limit for children entitled to a larger milk ration.

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2. Source knew of a number of industrial projects which had been cut back or abandoned since the summer of 1953 -- an aluminum factory at Sebes, an electric power generating station at Bicaz, for example -- but he attributed these cutbacks to general economic necessities and not to any effort by the government to divert resources to consumers' goods production. From his work at the [redacted] he had the impression that the government was still giving priority to the expansion of heavy industry and to armaments production.
3. He conceded that the regime might be able to raise the living standard a bit above its present very low level, but he thought it out of the question that the Communists under their present methods of operation could ever give people the same real incomes they had, say, in 1944. A highly qualified workman in 1953 earned as little as 400 or 500 lei a month. For him to be as well off as he was in 1944 his salary would have to be raised not 10 per cent, not 20 per cent, but many hundred per cent. In Source's opinion, such an increase in salaries, or any corresponding cut in prices, would be quite impossible for the Communist economic machine in Rumania. For this reason, and because nobody any longer believed anything the Communists promised, nobody expected anything good to come of the New Economic Course.

Rumanian Political Situation

4. The Source did not have any inside knowledge of power relationships in the government. He gave it as his personal opinion that the most important men in the country were, in this order, Gheorghiu-DEJ, Emil BODNARAS, MOGHIOROS, and Gheorghe APOSTOL. He thought that Petru GROZA and C. I. PARHON, though occupying prominent positions, were without power. In 1950 he heard from a friend that PARHON, who was perhaps then Minister of Agriculture, had tried to persuade the police to release a high official of his Ministry, one Mihai MIDUS, who had been arrested some time before. The police refused and PARHON is supposed to have wept. Source did not know what Anna PAUKER's position was at the time he left. In November 1953 he saw her son attending a motion picture in Bucharest. The son had graduated from the Polytechnic Institute in 1950. He had been quite a prominent young man about town, with his own car, while his mother was in power, but had later dropped out of sight.
5. In the Source's opinion, the groups which were most favored by the regime, could be ranked in the following order of priority: functionaries of the Central Committee of the Party, trade union activists, Ministry of Interior officials, army officers, members of the Rumanian Academy, leading athletes, employees of the SOVROM companies, and high officials of the metal and oil industries and mines. There were special stores and restaurants to cater to persons in these favored groups, e. g. a special store in the Quartier Bonaparte for functionaries of the Central Committee with stocks of Swiss watches, sugar, butter, meat, good quality textiles, and other items not available to the ordinary Rumanian.
6. Most ordinary Rumanians thought that although the standard of living in Rumania was perhaps a bit lower than in the USSR, the political conditions were less oppressive than in the Soviet Union. They did not think that this would last, however, as there was a pessimistic belief that sooner or later the Russians planned to annex Rumania to the Soviet Union. Source said that in his office [redacted] fewer than 10% of the employees were convinced Communists, about 20% had no political views or kept their ideas to themselves, and the remainder (nearly 70%) were strongly anti-Communist. The proportions were probably even less favorable to the Communists in the country at large.
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Police Activity

7. [redacted] one person who was released from prison in an amnesty in 1953, a 50-year-old businessman who had been arrested for economic sabotage in 1951. [redacted] several other people, all of middle class origin, who were in prison, but none of them was released. It was his impression that no political prisoners were released in the amnesty, but only persons who had been held for so-called economic crimes. Source did not think that there was any lessening of police pressure on the population during the last year he was in Rumania.
8. [redacted] Source was called to the militia to have his personal papers examined. No reason was given for this, but he thought that the militia were looking for Rumanians from the territories ceded to the USSR. There were two separate but related beliefs as to the reasons for interest in Rumanians in this category: some people said that the Soviet Union was going to withdraw its forces from Rumania and wanted to take as many persons as possible back to the USSR; others argued that the new Soviet Ambassador, MELNIKOV, had made his reputation in the Ukraine as an organizer of deportations and that he had been sent to Bucharest to do the same work.

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Corruption in Government Services

9. Source did not know whether there was less corruption in the government than before, [redacted] situation formerly was. The best known center of corruption in the government was the administration for allocation of housing space. It was known to everybody that the only way for an ordinary citizen who did not have any political pull to get a flat in Bucharest was to pay someone in the housing administration from 1,000 to 10,000 lei. The price depended on the size of the flat and how quickly it was needed. There was always at least one person who would take money for such services in each of the eight housing offices in Bucharest. Source did not know how the money was divided, and how the housing officials obtained the flats. He knew of one case in which a police official had arbitrarily evicted someone from a flat and had given the flat to someone else in exchange for a liberal money payment. In this instance, however, the money went directly to the policeman and the housing office did not enter into the affair. [redacted] Rumanian Jew named FLEINGSIBER, now in Israel, who bought permission to emigrate in 1952 by turning over his very desirable flat to a high official named Petre BELE, with the title of "Director General al Treburilor de Ministri". In general, the authorities made it difficult for the public to find a corrupt official by shifting people in jobs very frequently. In this way, civil servants did not have time to work out safe systems of defrauding the government.

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Knowledge of Foreign Affairs

10. Source thought, and said that most Rumanians also thought, that there were US troops in Turkey, Greece, and Yugoslavia. The Communist charge that Tito had sold his country to the Americans was generally accepted, and Tito was much admired for having been enough of a Yugoslav patriot to follow a course so obviously in the interest of the Yugoslav people. For this reason, too, it was thought that the Communist press was probably correct when it charged that Yugoslavia no longer had a Communist government.
11. Until the June 17 riots in East Germany, most people expected that the much-hoped-for war would begin with a Soviet attack on Yugoslavia. After June 17, people thought the war was more likely to break out in Germany. First there would be a civil war between the governments

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of East and West Germany, both of which were believed already to have their own armies. Then the Russians would intervene to save their Satellite, the US would step in to save West Germany, and the world war would be on. There is some uncertainty about when war will start. In the spring, it was generally expected to break out in the fall. In the fall, it was predicted for the next spring.

12. Since the people saw a war as the only way of being liberated from the Communists, and since there was much pro-US sentiment in Rumania, a great many Rumanians believed the Communist charge that the US is preparing for war. They only wondered what the US was waiting for. They were sure that the US would win a war now, but, when they reflected on the hundreds of millions of new Communist conscripts in China, they were not so sure this would always be so.
13. There was a general belief that, although time was working for the Russians, the Soviet Bloc was not very strong. There is not much hope that any country can be liberated from within so long as Russian troops are present, but it was widely believed that if the Soviet Army would withdraw, the local Communist governments would be overthrown by uprisings on the model of the June 17 riots. Source thought that Russian troops were stationed in Czechoslovakia, as in all of the Soviet Satellites except possibly China. He regarded MAO's government as more independent than the other Communist countries: how otherwise to explain that the Chinese used the dollar as their currency?
14. The issues in the Korean war and the armistice talks were well known in Rumania. The US refusal to send back the non-Communists among the prisoners was praised.

Communist Strength Among Youth

15. Source said that the convinced Communists were a very tiny minority among the young people of Rumania. In his class of about 130 to 140 students at [redacted]

[redacted] there were only 10 or 15 Party members, and not all of these were convinced Communists. The weak showing of the Communists is the more noteworthy when it is remembered that the whole student body had already been carefully picked so as to consist of the largest number possible of pro-Communists and, if possible, of no anti-Communists at all. The direct political pressure on the students was not intolerable. Only four or five students in the class were expelled for political reasons during the four years, though there were five or six who, upon graduation, were not allowed to work as engineers because of their political unreliability. No students were arrested in the Source's class

[redacted] Indirectly, however, the pressure on the non-Communists was very heavy. The school fees were fixed arbitrarily so that students from middle-class families were obliged to pay very heavy fees even though their families had become totally impoverished. Thus, most of the 40 or 50 students who dropped out of the class in the four-year period did so because they could not afford to pay the fees or to support themselves while studying. Though perhaps half of the students received scholarships of some size, most of the grants were too small to live on. The one-fifth of the students receiving full board and room free were all from the working class. The 10 or 15 Party members in the Source's class had all been members when they entered the

[redacted] Three of the members left the school in the middle of the course to continue their studies in the Soviet Union. Three others were dropped from the Party [redacted] because of their class origin, but were allowed to graduate. Two of these were Jewish. No students joined the Party during the four years. This may have been in part because the students did not want to join, but the main reason was probably that the Party wanted to limit itself to tried and true militants. Practically all of the students belonged to the Communist youth organization, membership in which was, in effect, compulsory.

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Korean and Chinese Students in Rumania

16. The Source said that one saw many Asian students in Rumania. He did not know how many there were, but he guessed that in Bucharest there were at least 1,000. From a friend who was a teacher at a [redacted] 50X1

[redacted] he heard that there were about 25 North Koreans at this one school alone. Total enrollment in the school was about 250. The North Koreans arrived sometime during 1952. The Source also said that there were two North Korean students (ex-soldiers in the North Korean army) at an agricultural school in Bucharest (Scoala Medie Tehnica de Colectari) and that most schools had at least a few Asian students. He did not personally know any Chinese or North Koreans. They kept to themselves and usually ate and slept in separate quarters apart from the Rumanian students. The Rumanian students were a bit jealous of them for their relative freedom from financial worries. There was a villa which served as clubhouse for North Koreans on Bosca street, Bucharest, and there was a clubhouse for Chinese students on Dacia boulevard. There were also many North Korean children to be seen in Bucharest, though the Source did not know where they went to school.

Russians in Rumania

17. The Source did not know any Russians personally. One saw very few Russians in Bucharest, either uniformed or civilians. He had never heard of a single Russian student in Rumania, though he had heard that there were about 2,000 Rumanian students in the Soviet Union. There were two Russian civilian advisers in the Ministry of Chemical Industry. He thought that there were about 100,000 Red Army soldiers in Rumania, though this was only a guess.

50X1 Youth Congress

18. The Source had nothing to do officially with the Congress, but in [redacted] meeting. One was Jamil CHALALLI, a journalist writing for "Le Flambo Sportive" at Beirut, Lebanon. The other was a music student from Guatemala. Source never knew the name of the latter, and in fact did not try to see him again when he discovered that the Guatemalan was convinced Communist. [redacted] 50X1
- 50X1 however, and was sure that CHALALLI, who did not appear to be a Communist, left Rumania with a clear picture of the unhappy state of affairs in Rumania today. A member of the cadre commission in [redacted] who knew foreign languages to go to the Square of the Republic one day during the Congress to listen to conversations and report what they had heard, but they did not comply. Source said that most of his friends who knew foreign languages tried to tell delegates they met of the situation in Rumania, and for this reason he was convinced that the net effect of the Congress was more unfavorable to the Communist cause than favorable.

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